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106TH CONGRESS  
1ST SESSION

# H. R. 1103

To amend title XVIII of the Social Security Act to carve out from payments to Medicare+Choice organizations amounts attributable to disproportionate share hospital payments and pay such amounts directly to those disproportionate share hospitals in which their enrollees receive care.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 11, 1999

Mr. RANGEL (for himself, Mr. STARK, Mr. QUINN, Mr. WALSH, Mr. ACKERMAN, Mrs. CHRISTENSEN, Mr. DOYLE, Mr. FATTAH, Mr. FROST, Mr. HINCHEY, Mr. HOLDEN, Mr. JENKINS, Ms. KILPATRICK, Mr. KLINK, Mr. LaFALCE, Mr. LEWIS of Georgia, Mrs. MALONEY of New York, Mr. MASCARA, Mr. MATSUI, Mrs. MCCARTHY of New York, Mr. McDERMOTT, Mr. MCGOVERN, Ms. SLAUGHTER, Mr. McNULTY, Mr. NADLER, Mr. PASTOR, Mr. SERRANO, Mrs. THURMAN, Mr. TOWNS, and Ms. VELÁZQUEZ) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend title XVIII of the Social Security Act to carve out from payments to Medicare+Choice organizations amounts attributable to disproportionate share hospital payments and pay such amounts directly to those disproportionate share hospitals in which their enrollees receive care.

1 *Be it enacted by the Senate and House of Representa-*  
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. CARVING OUT DSH PAYMENTS FROM PAY-**  
 4 **MENTS TO MEDICARE+CHOICE ORGANIZA-**  
 5 **TIONS AND PAYING THE AMOUNTS DIRECTLY**  
 6 **TO DSH HOSPITALS ENROLLING**  
 7 **MEDICARE+CHOICE ENROLLEES.**

8 (A) IN GENERAL.—Section 1853(c)(3) of the Social  
 9 Security Act (42 U.S.C. 1395w-23(c)(3)), as inserted by  
 10 section 4001 of the Balanced Budget Act of 1997, is  
 11 amended—

12 (1) in subparagraph (A), by striking “subpara-

13 graph (B)” and inserting “subparagraphs (B) and

14 (D)”,

15 (2) by redesignating subparagraph (D) as sub-

16 paragraph (E), and

17 (3) by inserting after subparagraph (C) the fol-

18 lowing new subparagraph:

19 “(D) REMOVAL OF PAYMENTS ATTRIB-

20 UTABLE TO DISPROPORTIONATE SHARE PAY-

21 MENTS FROM CALCULATION OF ADJUSTED AV-

22 ERAGE PER CAPITA COST.—

23 “(i) IN GENERAL.—In determining

24 the area-specific Medicare+Choice capita-

25 tion rate under subparagraph (A) for a

year (beginning with 2000), the annual per capita rate of payment for 1997 determined under section 1876(a)(1)(C) shall be adjusted, subject to clause (ii) to exclude from the rate the additional payments that the Secretary estimates were payment during 1997 for additional payments described in section 1886(d)(5)(F).

“(ii) TREATMENT OF PAYMENTS COVERED UNDER STATE HOSPITAL REIMBURSEMENT SYSTEM.—To the extent that the Secretary estimates that an annual per capita rate of payment for 1997 described in clause (i) reflects payments to hospitals reimbursed under section 1814(b)(3), the Secretary shall estimate a payment adjustment that is comparable to the payment adjustment that would have been made under clause (i) if the hospitals had not been reimbursed under such section.”.

(b) ADDITIONAL PAYMENTS FOR MANAGED CARE ENROLLEES.—Section 1886(d)(5)(F) of such Act ((42 U.S.C. 1395ww(d)(5)(F)) is amended—

(1) in clause (ii), by striking “clause (ix)” and inserting “clauses (ix) and (x)”, and

1           (2) by adding at the end the following:

2                   “(ix)(I) For portions of cost reporting  
3                   periods occurring on or after January 1,  
4                   2000, the Secretary shall provide for an  
5                   additional payment amount for each appli-  
6                   cable discharge of any subsection (d) hos-  
7                   pital that is a disproportionate share hos-  
8                   pital (as described in clause (i)).

9                   “(II) For purposes of this clause the  
10                  term ‘applicable discharge’ means the dis-  
11                  charge of any individual who is enrolled  
12                  under a risk-sharing contract with a eligi-  
13                  ble organization under section 1876 and  
14                  who is entitled to benefits under part A or  
15                  any individual who is enrolled with a  
16                  Medicare+Choice organization under part  
17                  C.

18                  “(III) The amount of the payment  
19                  under this clause with respect to any appli-  
20                  cable discharge shall be equal to the esti-  
21                  mated average per discharge amount that  
22                  would otherwise have been paid under this  
23                  subparagraph if the individuals had not  
24                  been enrolled as described in subclause  
25                  (II).

1                   “(IV) The Secretary shall establish  
2 rules for an additional payment amount,  
3 for any hospital reimbursed under a reim-  
4 bursement system authorized under  
5 1814(b)(3) if such hospital would qualify  
6 as a disproportionate share hospital under  
7 clause (i) were it not so reimbursed. Such  
8 payment shall be determined in the same  
9 manner as the amount of payment is de-  
10 termined under this clause for dispropor-  
11 tionate share hospitals.”.

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